



CITY OF HOUSTON

Finance & Administration
Department

Interoffice

Correspondence

To: Mayor Bill White
Members of City Council

From: Judy Gray Johnson, Director

Date: February 27, 2004

Subject: January Monthly Financial and
Operations Report

Attached is the Monthly Financial and Operations Report for the period ending January 31, 2004.

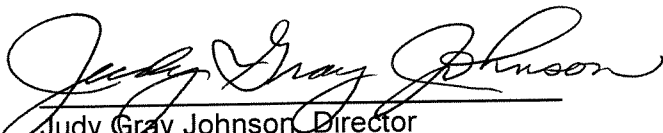
Our projected General Fund Revenues have increased \$1.6 million since last month. This is primarily due to a \$3.1 million increase in expected Sales Tax revenues that resulted from the December receipts and year to date activity. We also increased our estimate of direct interfund billings by \$400 thousand. These increases are partially offset by a decrease of \$1.3 million in Industrial District Assessments as well as a decrease of \$600 thousand in interest due to lower than anticipated interest rates.

We have decreased our General Fund Expenditure projections by \$8.6 million since last month. This decrease recognizes anticipated savings from several departments, savings for Health Benefits that result from the contribution strategy change from the 88/12 split to the 80/20 split (City/Subscriber), and a lower than budgeted Health Benefits contract rate increase for the months of May and June.

In the Enterprise Fund there is a change in our Water and Sewer Fund revenues. This change reflects a total decrease of \$2 million with lower water and sewer sales projections.

In the Risk Management Funds, the Health Benefits Fund reflects a decrease in revenues and expenses of \$2.1 million from last month due to lower rates in the new medical plan beginning in May and lower life insurance rates that began in October. In addition, the Worker's Compensation Fund decreased by \$1.7 million in current year claims.

If you have any questions, please let me know.


Judy Gray Johnson, Director
Finance and Administration Department